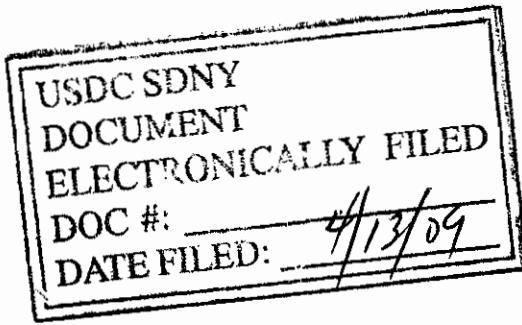


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DENVER
LAS VEGAS
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SALT LAKE CITY
TUCSON

April 3, 2009

Hon. Loretta A. Preska
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St., Room 1320
New York, NY 10007-1312

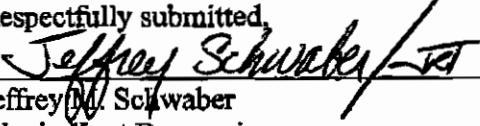
Re: *Kobayashi Ventures, LLC v. Papertech, Inc., Civil Action No. 08-cv-04450 (LAP)*

Dear Judge Preska:

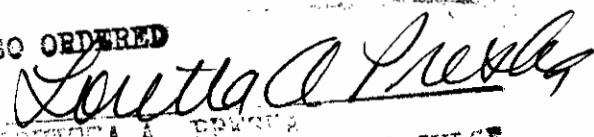
Pursuant to this Court's Consent Order dated March 24, 2009, counsel for the parties are hereby providing the requested update as to the status of settlement discussions. On March 26, 2009, the parties conducted a mediation session in New York. Although no settlement was reached at the mediation session, settlement discussions are ongoing between the parties in an effort to obtain an amicable resolution of this lawsuit.

Subject to this Court's approval, Counsel for the parties would propose to provide this Court with an update as to the status of settlement discussions no later than Monday, April 27, 2009. In the interim, counsel for the parties will promptly advise this Court in the event that a settlement is reached by the parties.

Respectfully submitted,


Jeffrey M. Schwaber
Alexia Kent Bourgerie
Attorneys for Plaintiff - Counterdefendant
Kobayashi Ventures, LLC


J. Rick Taché
Elizabeth M. Weldon
Attorneys for Defendant - Counterclaimant
PT Papertech, Inc.

SO ORDERED

LORETTA A. PRESKA
UNITED STATES DISTRICT JUDGE
April 13, 2009